

EXHIBIT N

1 UNITED STATES BANKRUPTCY COURT

2 FOR THE DISTRICT OF DELAWARE

3

4 _____ X

5 In re: :Chapter 11

6 FEDERAL-MOGUL GLOBAL, :Case No. 01-1-578 (RTL)

7 INC., et al., :Jointly Administered

8 Debtors. :

9 _____ X

10

11

12

13 Deposition of Mark A. Peterson, Ph.D.

14 Washington, D.C.

15 Friday, December 3, 2004

16

17

18

19

20 Pages 1 - 288

21 Job No.: 164539

22 Reported by: Deborah Larson Hommer, RPR

1 answered for you twice now.

2 BY MR. STROCHAK:

3 Q. Other than the adjustment that you
4 referred to for inflation, what other
5 adjustments did you make to the T&N TDP
6 scheduled values?

7 A. As used in this analysis?

8 Q. Correct.

9 A. Well, when we start with that
10 value, we take the TDP values and bring them
11 back to 2001 dollars and begin to apply them
12 in 2001 year dollars. They're subsequently
13 inflated for later years at 2-1/2 percent
14 interest. That's the only other adjustment we
15 do. Then, of course, the present value
16 discount makes another adjustment to it.

17 Q. So the starting point is the TDP
18 scheduled values, correct?

19 MR. FINCH: Object to form.

20 THE WITNESS: No.

21 BY MR. STROCHAK:

22 Q. Why is that not correct?

1 A. Well, the starting point is -- let
2 me be specific. The starting point is the
3 values that are shown on page 57 of my report.
4 The starting points of the -- in Table 39, .
5 which is colored with red. It's forecast.
6 Those are the forecast values that are used
7 for my report. Those are the settlement
8 values for claimants when they receive
9 payment.

10 Those settlement averages are, of
11 course, multiplied by the percent of claims
12 that people get. But when someone gets paid
13 a -- when I value a claim, I assume that a
14 claim is going to get paid, or allowed --
15 these are the values that I attach to it.

16 Q. Okay. And how do you derive these
17 values?

18 A. Those values are derived by taking
19 the scheduled values in the plan and adjusting
20 for inflation between 2001 and 2004.

21 Q. So then you start with the
22 scheduled values under the TDP, correct?

1 A. I have a problem with your word
2 "start." It's ambiguous. I start my analysis
3 with the values on page 57. The values on
4 page 57 were derived from the scheduled values
5 adjusted for inflation. Now, "start" can
6 apply -- your word "start" can go to either of
7 those places.

8 Actually, I don't even start there,
9 though. I start with the analyses that are in
10 section 6.1 of my report. There is an
11 extensive discussion where I talk about
12 estimating what the current values of the
13 liabilities of Turner & Newall are. And I
14 derive on page 15 three alternative estimates
15 of what those current values are. And I truly
16 start with those, and then I look to the
17 scheduled values as a conservative alternative
18 to those values.

19 So if you want to get to the
20 start -- I mean, I start with the data that's
21 in the Turner & Newall's database, and I start
22 with the experience of other -- of Turner &